APPROVED FOR RELEASE DATE: AUG 2004

TOP SECRET		
No Foreign Dissem/Back	ground ose	Only

(b) (1) (b) (3)

CENTRAL INTELLIGENCE AGENCY Directorate of Intelligence 3 February 1968

INTELLIGENCE MEMORANDUM

Pueblo Sitrep No. 30 (As of 5:00 P.M. EST)

- 1. Pyongyang radio has broadcast an 18-minute statement by a Frederick Carl Schumacher, who is described as the "operations officer" of the USS Pueblo. No further details are available at this time.
- 2. South Korean President Pak Chong-hui and one of his chief aides separately raised with the US Ambassador in Seoul the possibility that the ROK go into small-arms production to help counter increased North Korean infiltration.
- 3. President Pak told the Ambassador that he would like to see the ROK produce "M-2 type" carbines. He said it was clear that the government could not depend only on the army and police but must also train 2.5 million veterans, perhaps along the lines of Israeli and Swiss militia. Pak said Korean private interests—acting on the government's behalf—will get the program under way by purchasing 10,000 M-2 "type" weapons and 2 million rounds of ammunition from US firms and will seek their help in establishing a factory.
- 4. Yi Hu-rak, Pak's secretary-general, pointed out that the ROK should produce its own modern small arms to match the "major psychological advantage" North Korea enjoys from its own small-weapons production. He said 500,000 "AR-18" weapons could be produced at a cost of \$3.5 million, with each weapon costing about \$48.

- 5. The Panmunjom talks evoked varied public comments today from South Korean officials. The foreign minister said the ROK "is not opposed to the UN Command's decision to conduct talks at Panmunjom" but warned that "the talks must not be utilized by the North Korean puppets for propaganda." A presidential spokesman noted that ROK and US officials "have had close contacts in connection with the talks" and the ROK "is watching the talks with keen interest." The chairman of the National Assembly's Foreign Relations Committee, however, scored the US for conducting "secret talks" without South Korean participation, and charged that this was the first such occurrence in the Military Armistice Commission's 15-year history.
- 6. One more of the 31 North Korean guerrillas who tried to assassinate President Pak in Seoul on 21 January was shot dead today in a small town not far from the South Korean capital. ROK officials claim three of the guerrillas are still at large. Of the others, one was captured near the scene of the abortive attack and the rest are believed to have been killed.
- 7. Radio Pyongyang's domestic service and the South Korea beam today gave priority to reports relating to the <u>Pueblo</u> and the persecution of South Korean "revolutionaries," and placed less emphasis on the South Vietnam situation. Pyongyang highlighted the "confession" of <u>Pueblo</u> officer Lt. Stephen R. Harris (see Sitrep No. 29) but also covered pro-Communist "world" reaction to the case.
- 8. The (North) Korean Central News Agency today transmitted a photo allegedly showing the "spy" confession of Lt. Stephen Robert Harris, the Pueblo's "first officer." The word "confession" appears at the top of the first of ten fanned-out pages and Harris' signature on the last. Only the first page is readable in its entirety and follows word for word the "confession" broadcast yesterday by Radio Pyongyang.

TOP SECRET No Foreign Dissem/Backgroung Use Only

9. The high-level Rumanian delegation that has been holding talks with North Korean officials since 30 January plans to leave Pyongyang at 3 A.M. EST tomorrow. Pyongyang radio reports the talks have "proceeded in a friendly and comradely atmosphere."

11. Several brief firefights were reported in the US sector of the DMZ during the evening of 2-3 February. No casualties on either side were reported. One North Korean was reported killed by the ROK police a short distance south of the DMZ.